tax on rubber, we shall have to bring that price to such a level as to compare favourably with the price in Ceylon or with that in Malaya or the prices in any other rubber producing countries. These are all matters which have got to be studied very carefully. We have also to remember that the growing of rubber is an industry to which the people of Travancore are taking kindly and it would be unwise to do anything that will discourage the further pursuit of that enterprise. That is why I repeat that the question of a tax on rubber must receive very, very careful consideration and study.

7. The other points, I am afraid, will take me too much time to deal with item by item. You can rest assured that they will be recorded, examined and considered.

2. The present economic condition of the State and suggestions to minimise expenditure.

MR. A. NARAYANA PILLAI (*Member, Vaikam taluk*) began by observing that there was an intimate connection between the economic welfare of the people and the financial position of the State. There was a feeling in the non-official mind that public revenues and public expenditure were not administered with a view to secure the maximum benefits to the country. Only the minimum amount compatible with the requirements should be taken from the people and the taxes should come back to the people in a fructifying shower.

There was an intense feeling that the Government were not economising expenditure as far as possible. The expenditure of more than Rs. 70 lakhs, out of a total revenue of a little over Rs. 2 crores, on salaries and allowances was colossal and the popular cry for retrenchment remained unheeded. The creation of new posts sometimes appeared to be nothing other than capricious. Each departmental head wanted to increase the strength of his department as new appointments meant more patronage. There was no machinery to keep the balance even between the various departments. The work of the Salaries Committee was admittedly not exhaustive. The proposal to appoint a retrenchment committee to reform the public service and set free funds for the development of nation-building activities had been repeatedly made without any avail. Much could not be hoped from the report of the Devolution Officer. The appointment of a committee consisting of officials and non-officials to go into the whole question of public service was, he said, imperatively needed.

The number of educated unemployed among the middle classes was considered to be on the increase. The schools were annually adding to the number. Literacy was no doubt good; but man required food first. Intensive agriculture should be promoted by sober advice and loans. The former was available from the present Director of Agriculture. The Agricultural Loans Regulation should be sympathetically worked; loans should be promptly issued; and more funds should be set apart for loans, a portion of the investments in the Government of India securities being diverted for the purpose, if necessary. The economic condition of a ryot could be judged only by the taxable margin and not by the percentage of collection as the latter depended on the efficacy of the coercive steps for revenue recovery.

The land revenue policy of the Government paid no regard to the economic condition of the ryot. The fee on demand notices was an unnecessary burden. If a village staff costing more than Rs. 3 lakhs had to issue five lakhs of demand notices in respect of Rs. 18 lakhs out of the total *ayacut* revenue of Rs. 36 lakhs, the inference was that the tax was high. During the last fifteen years, the Government had been imposing various new taxes and enhancing the existing taxes. It could not be claimed that the earning capacity of the people had kept pace with the growth of revenue from Rs. 128 lakhs in 1089 to Rs. 210 lakhs in 1100.

New taxes were imposed and enhancements were made by executive orders based on the recommendations of heads of departments. There were a large number of questions such as the revision of the Interportal Trade Convention, the levy of export duty on rubber and tea, the revision of land tax, revenue settlement, and retrenchment which required the immediate appointment of a committee of ways and means.

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DEWAN'S REPLY : Mr. Narayana Pillai, your representations will not be lost sight of.

3. Opening of a Sub-treasury at Alwaye.

MR. M. KRISHNA KAMMATHI JANARDANA KAMMATHI (*Member, Kunnatnad taluk, Group II*) represented that the people of Alangad were greatly inconvenienced by the abolition of the sub-treasury at Alangad and the distribution of work between the sub-treasuries at Parur and Perumpavur. As the more important portion of the Alwaye town lay in the Kunnatnad taluk, most of the work of the Alangad sub-treasury now devolved on the Perumpavur sub-treasury which had as a result more heavy work than it could adequately cope with. With the establishment of the Union Christian College at Alwaye, the money orders payable at Alwaye were greater in value than those sent out and the dangers attendant upon bringing such large sums of money from a distant place were considerable. The Municipality had often to remit large amounts into the treasury. An appreciable portion of the work in the Kunnatnad sub-treasury related to the P. W. Division, Sub-division and Section offices situated at Alwaye, and much inconvenience was inevitable under that arrangement. These difficulties experienced by the people generally and the Government offices could be obviated by establishing a sub-treasury at Alwaye. As the local Sub-Registrar or Second Class Magistrate could well be made *ex-officio* sub-treasury officer, the proposal would not involve the creation of any additional appointment.

DEWAN'S REPLY: Mr. Janardana Kammathi, Alwaye is at a distance of only nine miles from Parur and I understand there is easy communication between the two places. Besides, to multiply the number of treasuries is inadvisable at the present moment. In 1098, a principle was adopted, namely, that of establishing one sub-treasury for each taluk and one divisional treasury for each revenue division. To increase the number of treasuries would be against the policy laid down in 1098 ; and there has been no general need for revision of that arrangement. Besides, there will not be enough work for a sub-treasury and a sub-treasury officer at Alwaye. I am afraid, therefore, that that question will have to stand over for the present.

4. Hardships on account of increased taxation, and suggestions to remedy them.

MR. ERALIL THOMAS ISAAC (*Member, Municipal Council, Parur*) said that the people of Parur were put to great inconvenience and hardship on account of their being at the Cochin frontier. The people in the adjoining land of Cochin were happy, contented and prosperous while his constituents were worried by the numerous taxes imposed by the Government and the municipality. The people of Parur were treated like suspects and watched and examined by the Excise authorities whenever they moved out. Parur was one of those places on which a municipality had been thrust. The people did not want a municipality. The municipality was regarded only as another agency for taxation. The Tahsildars now divested of magisterial powers resorted to their powers under the Income Tax Regulation to oppress the people. There were few people at Parur who had incomes above the taxable minimum. There were insuperable difficulties in the way of getting refunds ; and it was not known whether all the income tax collected from the people reached the coffers of the Government. The license fee realised from fishermen was a source of real grievance. The low economic condition of the people at Manjali required investigation. If the Government were to reduce their expenditure, there would be no need to add to the burdens of the people. The present system of education also should be reformed, and provision should be made for industrial education. Most of the articles in common use were imported from abroad. It should be the aim to manufacture or produce locally all the daily requirements.

DEWAN'S REPLY: Mr. Thomas Isaac, Government note with considerable interest your remarks about the afflictions caused to the people of Parur by the local Municipality, which you do not want.

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